



Department of Energy
Savannah River Operations Office
P.O. Box A
Aiken, South Carolina 29802

MAY 22 2002

Dr. Lawrence Brede, Jr., Senior Vice President
and General Manager
Wackenhut Services, Incorporated
Aiken, SC 29802

Dear Dr. Brede:

SUBJECT: Award Fee Determination for October 1, 2001 through March 31, 2002,
Award Fee Period 02-1 of Contract DE-AC09-99SR18950

I have completed my evaluation of the Wackenhut Services Incorporated-Savannah River Site (WSI-SRS) contract performance and determined your award fee based on the Performance Objectives and Criteria set forth in the Award Fee Plan. These objectives and criteria reflect the SRS Management Focus Areas of safety and security; technical capability and performance; community, state, and regulator relationships; cost-effectiveness; and corporate perspective.

As the Fee Determination Official for the Savannah River Operations Office, I am writing to inform you that WSI-SRS earned 100% of the available fee of \$1,600,000. Overall, and as measured using established rating criteria, WSI-SRS demonstrated a superior level of performance and technically competent leadership during this period.

During this rating period, WSI-SRS continued to successfully expand on earlier security enhancements initiated immediately after the September 11, 2001, terrorist attacks. Law Enforcement personnel significantly increased the percentage of barricade inspections without any major delays, and a program that provided more efficient access verification and inspection of all vendors was effectively implemented. Not only did this initiative provide a much greater degree of entry control, but it also played a major role in resolving a Westinghouse Savannah River Company tasking for streamlining receipt of offsite shipments. Additionally, without the benefit of additional resources, you effectively provided protective force staffing in critical facilities to enhance access control and inspections. WSI-SRS is to be commended for maintaining these enhancements, many times in less than favorable conditions and doing so without any major health and safety issues.

WSI-SRS successfully completed a major force-on-force performance test that demonstrated your organization's ability to execute Department of Energy Headquarters (DOE-HQ) new policy guidance dictating enhanced protection strategy for all facilities storing and processing Category I quantities of Special Nuclear Material. The positive outcome of this endeavor will provide critical data when transitioning other critical facilities to this new protection concept.

Dr. Brede

2

MAY 22 2002

During this period, WSI-SRS achieved reaccreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA), Incorporated. The reaccreditation process was an extensive one that not only encompassed detailed, onsite review of records, observations of personnel in the performance of their duties and employee interviews, but it also included discussions with other site employees, citizens living in the surrounding areas and local law enforcement agencies. Your organization continues to maintain the distinct honor of being the only private law enforcement provider to achieve this standard of excellence.

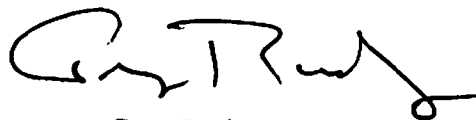
As evidenced by a recent review by Mr. Robert Jenkins, Director, Office of Aviation Management, WSI-SRS continues to excel in its aviation program. Your Aviation Training Program was noted as a particular strength.

The Security, Police and Fire Professional of America (SPFPA), Local 330 and WSI-SRS successfully negotiated a new five-year contract. I credit WSI-SRS management for their ability to resolve complex issues in an impartial and fiscally responsible manner. You have continued to work toward a mutually respectful and highly productive work environment.

In conclusion, I would like to commend WSI-SRS for its achievements during this period. The events of September 11, 2001, have created many challenges; however, I remain confident that WSI-SRS will continue to demonstrate professional excellence in meeting these tests. DOE-SR oversight personnel will be meeting with your staff to discuss this award fee evaluation in further detail.

Over the next several weeks, I would like to discuss with you converting the fee determinations under the contract from an award fee to a more performance-based approach, linking fee payments to specific performance indicators and metrics. Please contact Tom Reynolds at 725-1680. I appreciate and look forward to your continued excellent work in support of the missions at SRS.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Rudy', with a stylized flourish at the end.

Greg Rudy
Manager

NFB-02-0077

cc: Charles Hansen, Deputy Manager
Kevin Hall, OSSC
Tom Reynolds, CMD